Opinion corner

Support and Sales forces on the work floor

Knowing that the trader and sales forces are very keen on new and better systems, many vendors are making a lot of effort to keep and extend their contracts with existing clients. The reason for this is not that complicated: there are a limited number of clients which are open for new contracts, and the competition is fighting for the same budget.

We could say that the vendor support team should be there for new and existing (signed) contracts, to train and show the existing users how the system works, where and how to find the right information and the impact of the evolution of the existing systems.

The sales team has another assignment: to keep at least the existing contracts in the company, and to try to extend the budgetary impact of this. The sales team should have access to the potential customers, to show the added value of their product. Existing users are potential users, if we could speak about an extension of the product, or if the competition is trying to replace the existing service.

New vendors do not always try to replace "settled" services. Knowing that for a new sale, only a few minutes are given for a demo, the first aim can be to get inside, gaining a foothold in the trading room. Once settled, the second round can start.

As a function of their particular product and historical market share, different vendors have different sales- and support organisation The sales and support team may be in the hands of one person, (who can be also the whole team), to a customer relations manager, having contacts on all levels, and who is co-ordinating the sales and support teams for the different levels. In Europe, Bloomberg and most niche vendors tends to the first model, Reuters the second.

Similarly there are differences in the job descriptions themselves: from international client-hopping, very specialised experts (Bloomberg-model) to a more general support team, often with different expertise inside a small team. From a customer's side, the general, mostly local, support team is the easiest one to handle as we will discuss later.

The customer's organisation depends on the scale. Market data management and market systems in small caps are mostly in the hands of the IT department, while for more international, mid and large cap organisations these functions are in the hands of different teams, specialised in their own field. The bigger they are, the more independent the users/business department handle their own politics in what they want to use, and how they want to treat the different vendor and support teams.

For those who manage the (tight) budgets, sales and support teams walking freely in the dealing room is the worst nightmare. Most of the users are absolutely not cost aware. Certainly not for the services which are added on their main systems, which cost “only” a few hundred dollars a month extra. In this context the support-sales teams are the worst. From a pure sale team, you know the pressure is coming from the one who is trying to sell his/her services. It is their job. A support team is much harder to put in a box.

Where does their job start/ends? Showing how the system works, and explaining all the possibilities which are concluded in the contract? Certainly yes. Showing where the new system is an overlap with existing systems and showing how the new system can replace them? Surely, as long as we are talking about savings, no problem! Showing, the not bought features, which could eventually replace existing systems? Oh,oh, that depends…. Completely out of line is showing non customers how good their system is. Then support becomes pure sales.

What is the difference? From sales people you know where the pressure is coming from, and you can easily ask them to obey certain rules. The big stick, a complete ban out of the trading room is most sufficient. Support people are often asked for by the users, and they doensure that the users can use the system for what they pay for. Support people with sales talents can even increase the pressure for more of the same services to the users, who will be asking for it. This is much more difficult to handle. You can’t ban them outside the trading room!

How to handle these ubiquitous sales and support representatives? It much depends of the scale of your company and the type of organisation. On one side it is easier in small caps, where often the visibility is much bigger, but at the other hand, one can not be the specialist in everything. In bigger organisations, the distance with the trading room and its particular trader is more important which makes it impossible to oversee it watertight.

A good start could be the definition of standard profiles, and the intention of the business department to keep to this rule. This would make it already much harder for cost-unaware traders to want everything which looks sexy on their desk.

Adding a rule, that everything new should replace something which will be cancelled, should stop most of the impulsive actions.

Putting standard order moments, eg twice or thrice a year, in place could also give the possibility to organise a serious order evaluation meeting to avoid absent-mindedness agreements of head of desks. These meetings could also be used to give a short evaluation report before the decision is made to order some more.

In fact every system, which can channel these demands towards standard equipment, dedicated decision moments and procedures could help to avoid the waterfall in overrunning budgets. In order to make balanced decisions a cost-awareness system is

mandatory. Systems ranging from detailed excel-sheet systems to MDM (see http://www.mdsl.com) can be used for this. Most important is that costs can be allocated per person, into enough details as needed.
For the bigger firms an order and purchase system can be of much help.

This mixture of organisational and software systems, properly used, could help every institution to strive for an optimised situation with enough information about the market evolution, product knowledge and training, and budgets in line.

Clear rules for all the market participants – users, sales, support and cost managers – leave everybody enough space to fulfil their job to the level the client-institutional wants to go.
Open-minded relationships between customer and vendor guarantees the customer to be informed in good time about market evolutions.
Because we have to keep in mind, that no cost control -system can prevent this market to evolve.
This creates opportunities for vendors and customers, and we can start all over again….

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Note of the author:
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